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Robert G. (bob) Bethell Joint Committee on Home and  
Community Based Services and KanCare Oversight  
Monday, September 28<sup>th</sup>, 2020

Testimony given by:  
Holly Noble, Legislative Committee Chair  
Kansas Adult Care Executives Association

Chairwoman Landwehr and Members of the Committee:

Thank you for the opportunity to comment, share, and be a part of discussion in regards to the obstacles our adult care executives are dealing with in the day to day trenches of COVID-19.

The Kansas Adult Care Executives (KACE) is a non-partisan, non-profit professional association serving nursing home administrators and assisted living operators in Kansas. Our membership includes over 300 individual administrators and operators from both the nonprofit and for-profit adult care sectors. Our members are located throughout the state of Kansas and several members serve as both the administrator and owner of their facilities.

KACE adult care executive members have a deep understanding of all the COVID-19 challenges adult care homes are facing. From our administrator roles we understand the management and staffing challenges, we understand the challenges our elders are facing, we understand our volunteers' concerns, and we understand the concerns of our elders' families who have entrusted their loved ones to our care. The challenges we are facing today will also impact how we provide care tomorrow. For many of us our ability to keep our doors open will depend on the level of support we receive from our federal and state partners. Our members report that if additional funding is not provided, with the current requirements, most homes will be threatened with closing in the next 6-12 months. Nursing home closures are not only inefficient for the state in regard to receiverships, they are also detrimental to our Kansas elders, and they have the potential to economically ruin small rural towns who survive by having a nursing home in their community. For many communities in Kansas, the nursing home is the largest employer for those communities.

### **Impacts of Mandatory Nursing Home Staff Testing**

We would like to thank KDADS and the SPARK Task Force for the funding provided to assist adult care homes with PPE, staff labor, and testing costs. We are also thankful for the Health and Human Services (HHS) funding that has been received. Adult care homes have been incurring additional extraordinary costs that the funding addressed since the COVID-19 pandemic began in March.

Testing of staff and residents has created a monumental challenge to providers. Many adult care homes are spending on the average between \$5,000 to \$20,000 for one round of staff testing. This does not include the additional costs that will be associated with testing vendors, volunteers, and families that adult care homes must consider as nursing homes reopen and allow more visitations. In addition to testing costs adult care homes face increased costs for PPE, sanitation supplies, and other COVID-19 budget increases that were unforeseen and not planned for. There are also Medicaid only adult care homes who have not received, nor are scheduled to receive, a point of care (POC) antigen testing machine. Of our members who have received testing machines, close to 80% are not able to secure additional testing supplies. This leaves us with the concern of sustainability of these requirements. In addition to the testing costs we are concerned about the validity of the POC and the BinaxNOW testing results. We have seen national reports that demonstrate the results provide false positives in up to 25% of all tests. All rapid result positive tests require a follow PCR confirmation test, which are much more expensive to adult care homes. The false positives create additional costs, additional stress on our staff, and additional time away from work for the staff that the adult care homes have to pay for. The challenges of COVID-19 on staff are very real and very serious. Staffing in long term care has been difficult for years and now with the new testing requirement, many of our workforce are on the edge of leaving our field. Staff leaving long-term care will be detrimental and lead to additional issues for our workforce. Close to 50% of our members have already lost staffing due to the new requirements. We cannot afford to let this happen.

We truly appreciate the SPARK and HHS assistance, but we have some questions regarding the timeline for when we can spend those funds. The COVID-19 pandemic has rapidly evolved more than a few times since March, and the costs associated with protecting our elders are highly dependent on what is going on at the county level at any given time. An adult care home in one county today might be spending tens of thousands of dollars on testing and PPE in September, and another might not face those same financial challenges until November or December based on their county positivity rate. We understand funds not used by the end of December will need to be returned. Can those funds be redistributed in 2021 when they are needed? Right now, our members are seriously concerned about being able to survive current conditions, let alone the unknown scenarios of 2021. Due to the pandemic we cannot wait until the January of next year to start planning for 2021.

## **PPE**

The increased cost of PPE and sanitation supplies, along with the increased utilization has increased all adult care home budgets and many homes are still left looking for consistent supplies. Our adult care homes desperately need funding and assistance for 2020, and we will probably need assistance next year as those costs will not be going down anytime soon. The PPE distributed to adult care homes by the federal government in July were not medical grade and were not useful or functional. We are now facing allotment for gloves and gowns. Allotments for these items should never occur. What help can we get in regard to obtaining appropriate PPE for our Kansas elders?

## **Sustainability**

At this time, due to the additional, unavoidable expenses and repayment of debts incurred due to COVID-19 many adult care homes in Kansas are unsure of their long-term ability to operate and provide care for their residents. Many of our adult care homes have PPP loans and have no guidance for how much of those loans will be forgiven. With those large debts hanging over our heads, in addition to testing costs, additional staff labor costs, and PPE costs, adult care homes are facing extremely financial challenges that could lead many homes into receivership. The sustainability of adult care homes to operator under the financial, regulatory, and medical safety practices required to

keep residence safe is unknown, and now is the time to step up and help plan a secure future for our elders. Currently, we feel like sitting ducks just waiting for the other shoe to drop. The challenges of COVID-19 have created very challenging and sometimes stressful environments for our members, for our staff, and for the residents that call us "home." Due to the pandemic KDADS will be operating on a reduced resource budget in fiscal year 2022. It would be detrimental to the long-term care community in Kansas if funding to the nursing home reimbursement program is reduced. Prior to COVID-19 the nursing home reimbursement budget was to receive a 1% overall increase in fiscal year 2021. That increase was quickly canceled yet nursing home providers face annual inflation creating an even greater loss per day of care. While reimbursement remains stagnant, the costs for goods, services, and staffing continually rise 2-3% annually in a normal year, while costs are based on reports that reflect cuts providers have made to stay in business each year. To compound problems census is down in 2020 due to COVID-19.

### **Conclusion**

We want to thank you for your time and letting us bring our concerns to the table for your review. We understand that you may not have the answers for us now, but we sincerely hope and would like to strongly encourage the Bob Bethell Committee to get answers soon and to help us with solutions to assist with these concerns. We respectfully thank you again for your time.